Testimony
Of

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On Behalf of
The United States Conference of Mayors
and the City of Denver

Before the House Committee on Transportation and Infrastructure,
Subcommittee on Highways and Transit

"Transportation Planning"

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Madame Chair, Ranking Member, and Members of the Subcommittee, thank you for inviting me to testify today about transportation planning.

Although planning as a concept is not a topic that often excites great public passions, the results of planning processes certainly do. Decisions that this Committee makes about planning will be a critical factor in whether the next surface transportation authorization bill proves transformational in making federal investments more strategic to address our nation's competitiveness and sustainable growth. As a policy matter, transportation planning should link with decisions about land use, economic development, energy, and environmental factors typically under the authority of local governments, and federal funding systems should empower officials in metropolitan regions with the incentives to collaborate on and resources to implement those plans.

As Mayor of Denver, my own perspective on planning is driven by our experience in collaboration across the metropolitan region. The City encompasses 44.7 square miles and more than 550,000 residents, but our metropolitan region has a population of nearly 2.8 million people, and a growth rate that has consistently outpaced the national rate every decade since the 1930s. Within the next 25 years, Metro Denver's population is anticipated to reach almost 3.8 million. Metro Denver has been nationally recognized for our capacity to plan and work collaboratively across potentially balkanized local political jurisdictions – from our FasTraks transit project to our regional economic development initiatives to our cultural facilities tax district, all of which involve and benefit the localities within the seven Metro Denver counties.

I also appear today as the Chair of the U.S. Conference of Mayors Transportation and Communications Committee.[1] Therefore, before I focus on planning issues, I want to thank this Committee and its leaders more broadly for efforts this session to address the many complex transportation and infrastructure challenges before our nation, including your recent action to ensure the solvency of the Highway Trust Fund. As you know, mayors and other local leaders prioritize and support your work to enact various measures, including the Federal Aviation Administration program reauthorization and Amtrak / Intercity Rail legislation.

We especially appreciate your efforts to address our most immediate local transit needs by providing for additional resources to transit providers through the Saving Energy Through Public Transportation Act of 2008 (H.R. 6052). The unprecedented growth in demand for public transit and associated increasing fuel costs are forcing transit agencies to raise fares, cut service, and borrow to address capital and operating needs. Mayors are urging Congress to raise funding levels for public transportation above spending authorizations, and asking the nation's Governors to use the flexibilities that current law provides to allocate available federal transportation resources to bolster public transportation services.

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[1] The U.S. Conference of Mayors is the official nonpartisan organization of cities with populations of 30,000 or more. There are 1,139 such cities in the country today, each represented in the Conference by its chief elected official, the Mayor.

Metropolitan Areas as the Scale for Planning and Resources

Madame Chair, I also want to thank you for your initiative on issues affecting urban areas and our metropolitan regions through the new Metropolitan Mobility Caucus, which you Co-Chair with Representative Petri. We are eager to work with you and Members of this new Caucus with a focus on why metropolitan regions are the right scale for structuring federal policies and funding tools, a glaring void in current law which requires scrutiny and action.

As other witnesses before this Committee have emphasized in prior hearings, metropolitan areas are the drivers of the American economy. While covering just 26% of the United States land area, metropolitan regions account for more than 83% of the nation's population, 85% of national employment, 87% of labor income, 86% of gross domestic product (GDP), and 92% of the increase in real output in 2007.[2] Of the 100 largest international economies in the world, 42 are U.S. metro areas. Metro Denver, for example, has a gross metropolitan product larger than Pakistan and nearly as large as Israel.[3] As the Report of the National Surface Transportation Policy and Revenue Study Commission states, "The efficient movement of citizens and goods within these areas is critical to their productivity, and by extension, to the economic productivity of the Nation itself." However, this vitality is threatened by the deterioration of this infrastructure, congestion, poorly integrated modes, and investment that does not focus on maximizing our existing assets.

Consistent with this need and the purpose of your new Caucus, the foremost recommendation among the list of transportation authorization policy positions that the Conference of Mayors adopted in June is a call for creation of a metropolitan mobility program. This program delivery model resembles what is now in place in your own district, as practiced by the Metropolitan Transportation Commission. The recommendation also directly ties to enhancing the effectiveness of transportation planning – assigning greater responsibility to the local and metropolitan level where we can best integrate the various planning disciplines and purposes, with funding guidelines as the incentive to collaborate.

Priority Areas for Transportation Statutory Reform Impacting Planning

Reflecting consultation with the mayors, four areas of fundamental reform to underlying federal transportation statutes set the context for change in transportation planning processes –

- Federal funding mechanisms must move past programmatic silos and eliminate the biases embedded in current law that favor some transportation modes over others. The federal

[2] See Attachment Shares of U.S. Economy 2007: U.S. Metro Economies Report 2008

[3] See Attachment World Rankings of Gross Domestic and Metropolitan Product 2007: U.S. Metro Economies Report 2008

funding system currently follows processes and creates incentives that do not direct resources to the geographic regions or types of transportation solutions that yield the greatest cost-benefit impacts and are central to national economic prosperity and growth. With all of the key transportation statutes – surface transportation, rail, and aviation – under consideration for renewal next year, an opportunity exists to make delivery of resources and transportation services to the public more seamless and integrated.

- Rail transportation for both freight movement and passenger travel is a top priority going forward, and we seek a better approach to investment that can accelerate the deployment of infrastructure within and between our nation's metropolitan areas. Moving more goods by rail can reduce energy consumption and allow better use of existing highway capacity. Transit systems are experiencing unprecedented growth in use, with the public consuming existing capacities and demanding new services as well. As we are witnessing in Denver, the presence of transit also is driving community and economic vitality with transit-oriented commercial and residential development. However, while the Denver region has been highlighted as a national prototype for rapid and broad-based expansion of metropolitan rail services, it was very difficult to initiate, and we now face the significant challenges of a weakening economy producing slower local revenue growth, as well as record energy and commodity prices that run up the costs of operating existing services and new construction.

- Federal transportation investments need to reflect energy and climate priorities, so that we can reengineer and expand our transportation infrastructure in ways that curb greenhouse gas emissions and reduce our dependency on foreign oil. Nationwide, about one-third of carbon emissions are generated from mobile sources; in regions like the Bay Area, cars and light trucks represent about half of all carbon emissions. U.S. gasoline consumption is about equal to the amount of oil we import. Our national transportation policy should recognize that achieving climate protection and greenhouse gas reductions emissions will require changes in transportation choices.

- All of our key federal transportation programs are short of resources. The shortfall in the Highway Trust Fund posed the most acute challenge, but other accounts to varying degrees are also challenged by resource constraints. This situation argues for consideration of creative, broader revenue and financing options that allow us to increase our national commitments to transportation infrastructure broadly, not just one mode at a time or in piecemeal fashion.

Transportation Planning – Challenges of Current Law and Priorities for Change

Although the current federal transportation statutory framework acknowledges the importance of the metropolitan scale and mobility issues, it actually does little in substance to motivate or support metropolitan-based transportation solutions led by elected leader in these regions.

Disconnect between Planning and Resource Allocations

Transportation planning processes in our metropolitan areas cannot be meaningful if there is little connection between those plans and control of resources to implement them. While existing law expects that a Metropolitan Planning Organization (MPO) lead regional transportation planning, federal statute did not establish a funding structure to support that practice. In most metropolitan areas, local officials are not afforded the opportunity to control or substantially influence how the bulk of federal resources are expended in the region. Typical state practice is to determine what share of federal resources are made available to the metropolitan area, and then largely decide or influence what major investments are made. Often, the MPO simply confirms these investments in their plans.

Of the federal transportation resources provided to the states, only a small portion is definitively committed directly for local decision-making in metropolitan areas -- $54 million of $438 million in spending authority under the core highway program categories in Colorado last year, even though Metro Denver represents half of the state population and 60% of economic output.[4] Furthermore, funding analyses reported on by the Brookings Institution show that metropolitan areas contribute significantly more in tax receipts than they receive in distributions from their state highway fund or direct local transfers.

Federal funding sources also should ensure that States not be allowed to solely limit funds for their own highway uses alone, as Colorado currently does. With the appropriate flexibility preserved, federal funds could have greater cost-benefit impacts if used in a metropolitan area where the planners agree that non-highway solutions provide a better answer to local transportation problems.

These funding dynamics contributed to the lack of long-term investment in the existing infrastructure and asset-rich urbanized areas in favor of other development. A proposed shift of more resources to local decision-makers essentially parallels what now occurs in the metropolitan areas of California, where empowerment of local officials has yielded a more robust array of transportation solutions and motivated increased investment through self-help financing.

Differing Planning Requirements for Metropolitan Areas versus States

Under current law, federal rules and policies applicable to metropolitan area planning are substantially more rigorous than what applies to the state transportation planning process. These include more explicit requirements for public engagement, disclosure of spending practices, conformity with Clean Air Act requirements, and financially-constrained plans, among other directives. Since these agencies exercise little substantive control over the "actual" investment of resources, the process is often planning for planning sake. In sharp contrast, state planning

[4] See Attachment GMP vs. GSP 2007: The U.S. Metro Economies Report 2008

requirements are weaker, even though that is the process and the level of government that principally controls how federal transportation dollars are expended.

Divergent Planning based on Financing of Transit versus Highways

The disparity in planning requirements for transit versus highway projects promotes road investments, disadvantaging the urban core that most benefits from public transportation. Localities must show that they have adequate resources to fully construct, maintain, and operate new transit facilities, at a high non-federal match; however, none of those conditions apply equally to highway projects. In fact, nearly a decade ago, the federal government removed the major investment study requirement that also had mandated for highway proposals a cost-effectiveness evaluation of alternative approaches to achieving a given transportation objective, taking into account a range of economic, environmental, and financial factors. Mayors and our regional transportation partners are asking for rigorous evaluation and matching rules to apply uniformly for highway and transit projects, metropolitan and non-metropolitan, so we can enable planners to make decisions driven by the merits and not differently aligned incentives.

This current federal framework also appears to have enabled a decline in highway investment at the state level. Recent financial data suggests that, overall, state transportation programs are more dependent on growth in federal funding commitments and rising levels of state transportation debt while still curtailing commitments to local government priorities, as demonstrated by below average obligation rates to program categories benefiting local priorities, rescission practices, and declining levels of flexed funds to transit. For example, since 2000, state governments in the aggregate have accumulated highway debt at two and one-half times the rate of new state revenue growth. During the same period, states have reduced their relative commitments to highway investment, with state revenue growth that is about two-thirds of the growth in federal highway spending and less than half of the rate of growth in local government revenues for highway investment.

Linking Transportation Planning with Other Local Government Planning Authorities

With major population growth projected in many metropolitan areas and congestion already prevalent, managing decisions about meeting mobility needs and quality of life will entail decisions about more than just building more transportation capacity. Similarly, transportation investments are major economic factors, opening up new development area opportunities, creating jobs, impacting personal mobility costs, and influencing productivity. Finally, transportation impacts the environment and climate change, both through the structure of neighborhoods and the reduction of greenhouse gas emissions.

These considerations reach far beyond pure transportation planning conducted by MPOs or states for the ability to handle vehicle trips – they integrate with individual local governments' authority over land use, housing, economic development, and energy or climate change goals. For example, in California, the pending state legislative proposal to link cuts in greenhouse gas emissions to transportation and urban planning processes is helping direct funding away from sprawl and toward high-density development with integrated transportation, land use, and housing decisions.

In Denver, this means that our transportation decisions are tied to promoting livable urban centers and sustainable development broadly. The FasTracks project, approved by voters in the seven Metro Denver Colorado counties in 2004, is the unifying element in our regional community planning efforts, a $4.7 billion, 12-year plan linking the region with comprehensive mass transit service through 119 miles of new light rail and commuter rail, 18 miles of bus rapid transit service, 21,000 new parking spaces at rail and bus stations, and expanded bus service. Furthermore, in the City itself, we are completing a Strategic Transportation Plan that adopts an alternative approach to transportation planning -- instead of just forecasting future auto travel, we have developed a mathematical model that forecasts person-trips so that we can evaluate the magnitude of impacts caused by all types of travel. All of these transportation plans are tied to our zoning decisions centered on transit-oriented development (TOD), building neighborhoods around FasTracks stops so that housing, offices, and shopping are all within walking distance.

However, federal transportation policy does not support or provide incentives for these kinds of cross-cutting functional relationships and planning collaboration. Helpful federal action ranges from readjusting the cost-effectiveness rating for New Starts projects so that related development and environmental benefits are appropriately considered to promoting more access to affordable housing near transit. Many local political obstacles to jointly planning for transportation, housing, and land use decisions can be overcome through the motivation of new competitive federal funding to implement those decisions.

The U.S. Conference of Mayors Policy on Successor Legislation to SAFETEA-LU

Finally, I want to take this opportunity to highlight the shared federal transportation authorization priorities approved by the members of The U.S. Conference of Mayors, who are Republicans, Democrats, and Independents, as priorities for successor legislation to SAFETEA-LU –

- Concurring with the National Surface Transportation Policy and Revenue Commission's recommendation, provide additional revenues in support of the nation's surface transportation needs, but only when necessary program reforms are implemented;

- Develop and implement a comprehensive, forward-looking federal vision for the nation's overall transportation policy to which tangible investment outcomes must be tied, as well as expanded data collection and transparency, in order to enable evidence-based decisions and greater accountability focused on improving economic productivity, the environment, and the range of transportation choices that allow personal mobility to access economic and social opportunities;

- Reflect in federal transportation policy and program decisions a greater modal neutrality focused on achieving substantive outcomes, with more equivalent treatment in the assessment of both highway and transit capacity projects by applying comparable criteria and mechanisms, such as investment studies that apply cost-benefit analyses and disclosure of long-term financial requirements, as well as lesser disparity in typical federal match by mode to reduce distortion of local decisions;

- Incorporate a Metropolitan Mobility Program, consistent with the recommendation of the National Commission, a new initiative that fully empowers local elected officials in metropolitan areas to allocate available resources and make project selection decisions among all surface transportation modes, with the share of federal transportation resources to states and/or within states calibrated to the economic output of these metropolitan areas;

- Place priority for federal transportation funding on local and state projects that reduce energy use and greenhouse gas emissions when utilizing available federal transportation resources, especially when investing in new system capacity, including proper weighting for the value of stimulating efficient, high-density transit-oriented development and its environmental benefits;

- Modify current federal formula for apportioning funding among the states to ensure that it does not provide incentives for greater consumption versus conservation;

- In addition to user fees, consider other transportation financing strategies including how the federal government might reward greater state investment, modal neutrality in use of state transportation funds, and the potential value of federal capital budgeting approaches in infrastructure programs, creation of national bond funds, and other proposals, consistent with these reforms;

- Consider public-private partnerships that support transportation priorities, including use of congestion pricing and variable tolling, as potentially valuable tools in addressing congestion, travel demand management, and infrastructure investment needs, depending on local circumstances, but viewed in a holistic context and not simply for a financing objective;

- Take into account other incentives for a range of market-based demand management strategies such as commuter choice, car sharing, feebate programs, location-efficiency, parking cash-out, and pay-as-you drive (PAYD) auto insurance programs; and

- Address other important reforms such as requiring maintenance of existing transportation assets in a state of good repair, standardizing of federal rules governing all new surface capacity investments (i.e., highways, transit, port connections, freight facilities and intercity rail), mainstreaming of planning and funding eligibilities for intercity passenger and freight rail projects, and applying new performance requirements to measure how program resources are being used, such as reductions in fatalities and injuries, household transportation expenditures, maintenance liabilities, congestion, unhealthy air quality, energy use, and greenhouse gas emissions.

Thank you again for the opportunity to speak with you about the transportation planning challenges facing local governments in the current federal policy and funding framework. I look forward to working with you during the upcoming authorization to strengthen the links between planning and financing, aligned at the most appropriate scale for decision-making, in order to move people and goods more efficiently throughout out country.